



Optimising Fleet Management and Maintenance Arrangements

Andy Mudd



Why?

- Cuts
- Cuts
- More cuts



What do we mean by optimisation?

- Minimum input cost to achieve given level of output/outcome?
- Maximum value for minimum cost?
- Ideal service configuration to achieve an expected result

What do we need to know about?



- What are the required outputs?
- How these relate to the outcomes?

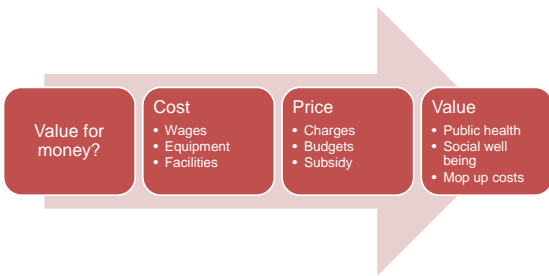
- In other words – understand demand

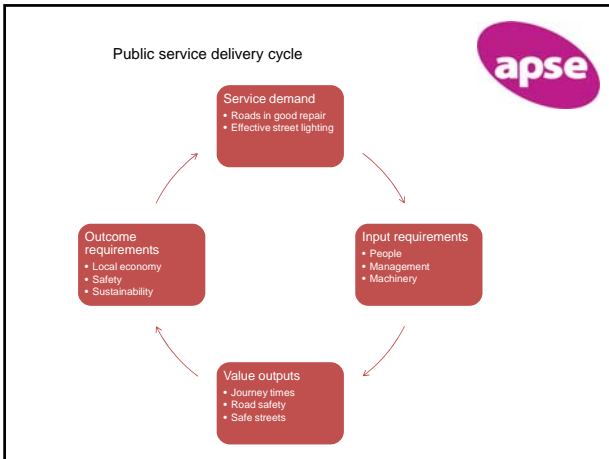
Understanding demand

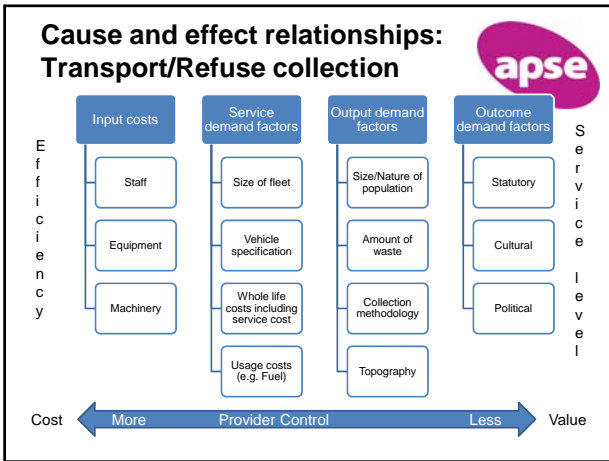


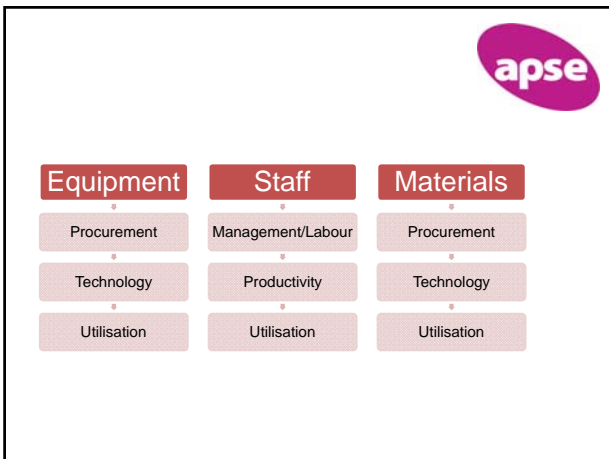
- Where does service demand come from?
 - Customers and stakeholders
- What's the balance between planned and reactive service?
- How much demand is failure demand?
- What are the 'must haves'?
- What are the 'would be betters'?
 - Would they generate extra income?

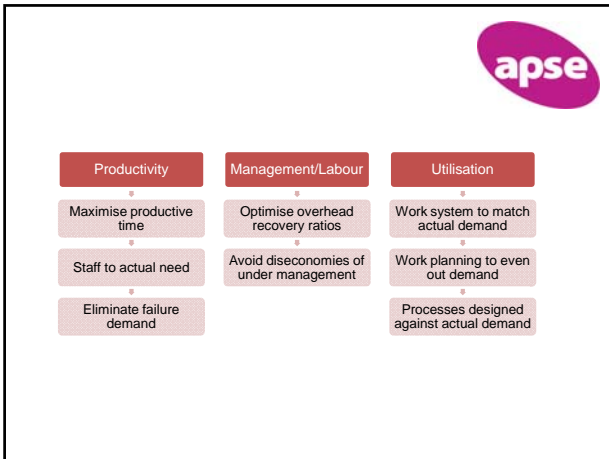
Its not all about cost

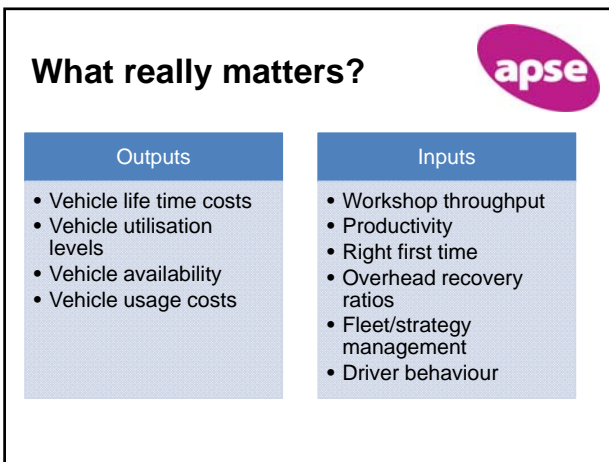


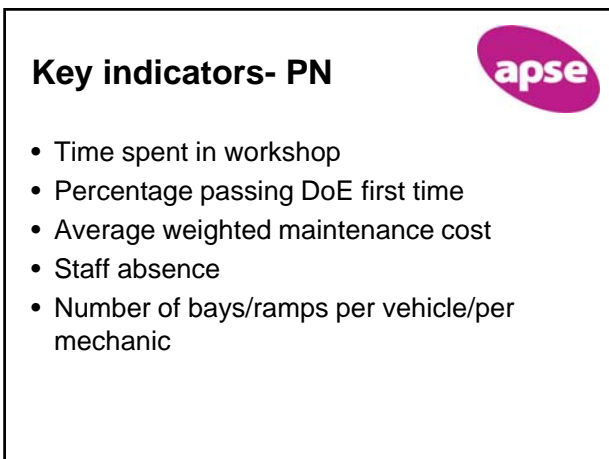












Work systems



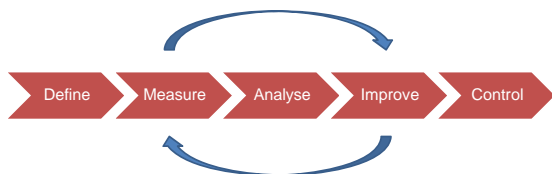
- Staff to deliver against actual expected demand
- No overtime
- No stand by payments
- No enhanced out of hours payments
- Increased staff utilisation
- Pay that reflects the actual job – not just the bit that is done between 9 and 5
- Empowerment and accountability

Wasted activity



- Failure demand
 - Redoing what was not done right first time
 - Catch up repair work
- Frequency driven demand
 - Doing things that don't need doing to meet a spec
- Duplicate activity
 - Client/contractor split

Planning a service review

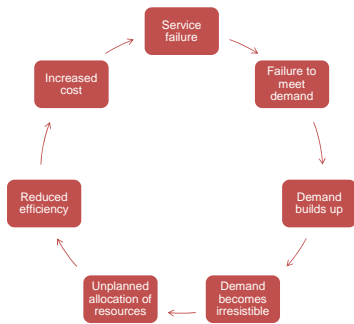


Once optimised – what happens then?



- Demand achieved through best use of resources
 - Outputs achieved
 - Outcomes met
- Resources inadequate to deliver against actual demand
 - Service failure

Service failure or service reduction: Cause and Effect



So how do we avoid service failure?

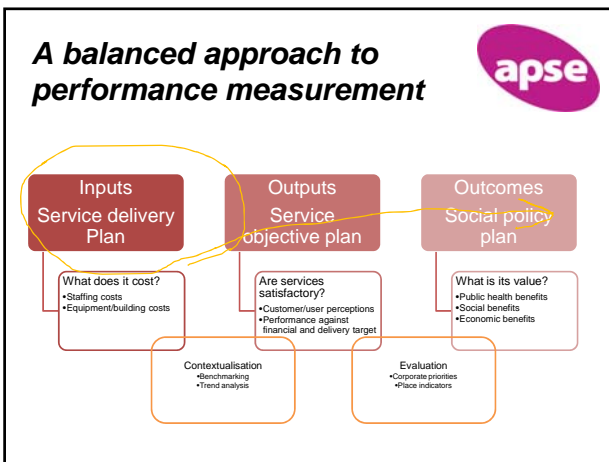


- First optimise resources
- Innovation – e.g. Electrification, telematics
- Income generation to off-set cost
- If resources are still inadequate
 - Salami slicing
 - Spiral of decline
 - Planned service reduction
 - Political decision
 - Based on evidence from officers

Lean tools and techniques

- Voice of customer
 - What do we need to do
 - Establishing the must have, critical to quality aspects of services
- Statistical analysis
 - How well are we doing it?
 - Does actual work correlate with planned work?
- Process mapping
 - Identifying inefficiencies, duplication and blockages
- Direct observation (work study)
 - Ensuring workers work at work
 - Eliminating activity that does not contribute to meeting actual demand for the service

But lean is not a doctrine – what works works



Efficiency issues

- How far can it go?
 - The truth is we don't know but surely we need to find out
 - Concept of continual improvement
- So why have we not done it before?
 - Because it is really hard
 - Because it requires change in the way we do things
 - Because it requires a change in thinking

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